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ACTION: Amembassy TEL AVIV

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Navy
Dept -
Cmdr
R.E.
Smith

SUBJECT: USS LIBERTY CLAIMS

REFERENCE: Tel Aviv 2159

1. We appreciate your thoughtful comments contained reftel which have been carefully considered here. We continue believe, however, that we should stand on position that GOI has obligation to pay ship damage claim as we submitted it. This position appears to Department also to reflect opinion held in rest USG and generally in Congress and public which continue evince interest in this matter.

2. We recognize GOI probably not presently disposed to make prompt and full payment of ship claim in same manner as it responded to personal injury claims, and that extended negotiations may be involved. As you know, we contemplate that those negotiations would involve discussions between naval construction experts of both countries to establish validity of amount claimed.

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY G.M. Ray DATE Sept. 19, 1980

Drafted by: L:L/C:ELKerley:NEA/IAI:MLissfelt 4967 Telephone Telegraphic transmission and classification approved by: NEA TS AUTH. RDS ☐ or XDS ☐ exm DATE NEA REVIEWED J. Sisco

Clearances: NEA/IAI - Mr. Atherton H - Mr. Leahy L - Mr. Salans Dept of Navy - Cmdr. R. E. Smith

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FORM DS-322 8-65

released as is 83 in short-case Feb. 10 1977

3. While argumentation described para 2 reftel will probably be raised by GOI, Dept does not believe it applicable to question of liability. Suggest it be countered as follows:

(a) Claim is for damage actually incurred by USG in attack. GOI has acknowledged responsibility and undertaken to make payment for QT material damage UNQT.

(b) Failure of USS Liberty to receive order to move farther from shore is not causally related to attack or damage incurred. GOI forces sought out and attacked USS Liberty because it erroneously identified as hostile vessel. Attack could therefore have occurred any place within operational range Israeli air and naval units. Unreceived orders would have moved USS Liberty eighty rpt eighty miles off coast, which well within attack range.

(c) USS Liberty presently mothballed because funds lacking for reconstruction. Funds for reconstruction were unsuccessfully sought in 1970 Dept Defense budget and present plans are to seek funds for reconstruction in 1971 budget. No intent scrap vessel.

4. While Dept recognizes death claims paid in full, and gratified by promptness of full payment personal injury claims, it believes GOI should understand USG expects GOI fully to satisfy its responsibilities for damages caused.

RICHARDSON

5. Embassy comments invited.